



Larry Hogan, Governor  
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**November 25, 2019**

**Notice of Grant Availability**  
**Maryland Anchor Customer FY20 Grant Program**

**Program Description:** The Maryland Anchor Customer Program issues grants from the Maryland Gas Expansion Fund ("MGEF") to commercial, industrial, state agencies, local governments, and nonprofit energy consumers in Maryland. MGEF is a merger benefit resource held as a subaccount of the Strategic Energy Investment Fund ("SEIF"). The Maryland Energy Administration administers the Maryland Anchor Customer Program. The purpose of these grants is to assist with energy projects that help to promote natural gas distribution. Grants will be awarded on a competitive basis. However, priority will be given to applicants who own and/or operate State facilities on the Lower Eastern Shore in Maryland.

Energy projects promoting natural gas distribution include:

- Investing in assets that assist customers in converting their operations to natural gas;
- Projects that reintegrate previous natural gas customers who no longer possess natural gas infrastructure or functional natural gas infrastructure; or
- Providing benefits to existing customers not presently utilizing their natural gas infrastructure and/or are seeking to expand their energy demand;

Such distributions may be made directly to customers. All hard assets which receive funding shall be installed and operated in Maryland.

**Program Budget:** Up to \$1.5M for non-residential anchor customers to develop or convert to natural gas fired infrastructure.

NOTE: [PSC Order 88631](#) provided MEA funding to incentivize natural gas infrastructure expansion within Maryland. These funds were placed within the SEIF and have certain provisions which require a majority of the funds to be expended within the WGL service area. All applications shall indicate whether they are for projects within or outside of the WGL service area.

**Eligible Market Industries:** Organized businesses, State of Maryland entities and agencies, and not-for-profit entities whose activities demand on average 3,000 dekatherm/month or greater of energy.

**Application Deadline:** Applications will be accepted on a competitive basis through December 11, 2019.

**Type of Grant Program:**

- Subject to funding availability and restrictions, grants will be awarded competitively based upon an applicant's demonstration of their volume of natural gas consumption and whether or not they are geographically located within a [One Maryland Economic Development zone](#).
- Some anchor customers face tremendous costs for developing or converting their operations to natural gas. Therefore, applicants may receive subsequent funding in the next proximate fiscal year cycle for grants to cover the conversion of the same project over multiple annual program cycles up to, but not exceeding, \$3m or 30% of the project cost. MEA reserves the right to prioritize, select, and deny subsequent funding applications for the same project at its discretion.
- MEA reserves the right to increase or decrease the program budget.

**Program Eligibility Requirements:**

At a minimum, each proposed project must:

- Be located in Maryland;
- Meet all program requirements;
- Grantees must be in Good Standing with the Maryland State Department of Assessments and Taxation ("SDAT"). Please see the SDAT website to obtain a Certificate of Status to be included with your application package. Grantees who do not hold an SDAT designation shall furnish, for MEA's examination and endorsement, an enabling or otherwise authorizing section of the Maryland Code Annotated or some other writing to satisfy this requirement.
- Demonstrate in writing an energy demand of on average 3,000 dekatherms/month or greater of energy, but because many anchor customers have seasonal heating demands which can vary significantly MEA will accept alternative demonstration which MEA may instead consider for purposes of this requirement;
- Demonstrate the volume of natural gas in dekatherms the project will consumer once operational on an annual basis;
- Additionally, demonstrate whether or not the project is located within a One Maryland Economic Development zone.
- Satisfy all applicable regulatory and environmental requirements.

Calculating Energy Consumption Baselines: Eligible projects must establish natural gas consumption baselines.

- Existing Facilities: Applicants must provide data from the most recent 12 consecutive months' natural gas consumption volume. If natural gas consumption volume data is not readily available, then applicants shall provide fuel consumption invoices, utility bills, or another acceptable third party accounting. Applicants may petition MEA in writing, for an alternative time period and method for the baseline which MEA may approve.
- To-be-constructed Facilities: Applicants must provide 12 consecutive months' projected natural gas consumption volume; and assume the installation of energy code-minimum equipment, technology, building materials, etc. Applicants may petition MEA in writing, for an alternative time period and method for the baseline which MEA may approve.

Applications will be ranked based on the quality of the following requirements:

- amount of natural gas consumption volume vs. the baseline; and
- whether or not the project is located within a One Maryland Economic Development zone.

To be considered for a grant award, an application must be complete, accurate, and signed by the project owner (or owner's representative). In addition, the application must be accompanied by a Certificate of Status from the [Maryland State Department of Assessments and Taxation](#) completed by the project owner and, when applicable, the project owner. Electronic application submittals are strongly encouraged.

MEA will make the grant funds available to the project owner (or owner's representative) in two installments: Up to 30% of the initial funds will be provided as a ground breaking incentive, after MEA staff has verified that the official groundbreaking has commenced and materials are onsite, with the remaining funds provided as a commissioning incentive.

#### **General Terms, Conditions and Requirements:**

- Multiple natural gas fired systems installed within the same facility, as well as campuses consisting of multiple affiliated buildings in one geographical location, will be considered one project for consideration of eligibility under this Program.
- Applicants selected for an award under this Program shall be required to submit an IRS W9 form to MEA **prior** to award execution.
- To receive a grant, a successful applicant must be able to enter into a Grant Agreement with MEA by no later than February 28, 2020.
- MEA will **not** disburse funds to a project that starts construction or purchases prior to the effective date of the applicant's Grant Agreement with MEA.
- MEA reserves the right to obligate all or none of the Maryland Anchor Customer

Program budget, based on the quality and eligibility of applications submitted to MEA.

- All projects must be located within the State of Maryland.
- Prior to the start of construction, each project selected for funding must be reviewed by the Maryland Historic Trust (MHT) to ensure that no historical property will be adversely impacted. MEA may require that the grantee provide additional information concerning the proposed project site in order to complete the historic preservation review.
- Grant resources may not be used for any work commenced prior to the effective date of the Grant Agreement with MEA.
- MEA or its representative(s) may use photos and video of the project, and data presented in the application for marketing, publicity, and advertising purposes. MEA and its representatives, subject to the requirements of the Maryland Public Information Act, and other applicable laws, will not divulge any confidential information or trade secrets.
- MEA and its contractors make no representation or warranty and assume no liability with respect to quality, safety, performance, or other aspect of any infrastructure design, system, or appliance installed pursuant to this application, and expressly disclaim any such representation, warranty, or liability.
- Program General Terms, Conditions, and Requirements are subject to change.
- To receive the final grant funds disbursement for projects, or “commissioning incentives”, MEA must receive the following from the grantee: copies of all inspection documents, all required permits and licenses to operate the project.
- Each Grantee is responsible for acquiring and obtaining all necessary regulatory, environmental, county and building permits or certificates. Prior to disbursement of any grant funds, MEA must receive a schedule and copies of all required permits and certificates.
- Grantees will be required to submit data to MEA in order to comply with MEA’s reporting obligations in Md. [PSC 88631](#).
- Grants are calculated as 30 percent of total project costs up to \$3,000,000, whichever is the lower amount
- Submission of an application to the FY 2020 Program does not guarantee the applicant will be selected to receive a grant award.
- It is in MEA’s sole discretion to determine if a proposed project is eligible to receive a grant award from the FY 2020 Program.
- A grant award will not be made for any work commenced prior to the effective date of the Grant Agreement with MEA.
- **American Manufactured Goods:** Effective October 1, 2019, Chapter 757 of the 2019 Acts of the General Assembly of Maryland will require any new loan or grant funded by the SEIF to a unit of State or local government to comply with §14-416 and §17-303 of the State Finance and Procurement Article. Applicants affected by this requirement should take it into account when developing FY20 applications to SEIF-funded programs. FY19 SEIF-funded grant agreements will contain a section outlining the American Manufactured Goods requirements with which impacted grantees will be

required to comply.

- **Project Location:** Effective October 1, 2019, Chapter 757 of the 2019 Acts of the General Assembly of Maryland will require at least 80% of workers participating in a SEIF-funded project or program to reside within 50 miles of the project or program. As the SEIF funds a statewide program, MEA will determine compliance based on whether at least 80% of workers participating in a SEIF-funded project reside in Maryland, or within 50 miles of Maryland's borders. Applicants should take this new requirement into account when developing FY20 applications to SEIF-funded programs. FY20 SEIF-funded grant agreements will contain a section further outlining this requirement, including any documentation of compliance that will be required before grant funds are disbursed.

#### **Required Application Documents:**

**MEA Application:** Please note that the name on the MEA Application must match the name and address listed on the applicant's W9 form.

**Each applicant** must submit the following documents with the MEA application

- Most recent (12) consecutive months' data of natural gas consumption volume; or
- Most recent (12) consecutive months' fuel consumption invoices, utility bills, or another acceptable third party accounting; or
- Most recent (12) consecutive months' projected natural gas consumption volume
- Current Certificate of Status provided by the [Maryland State Department of Assessments and Taxation](#)

For more information or assistance, please visit <https://energy.maryland.gov/govt/Pages/MEIP.aspx> or contact David Giusti at [David.Giusti1@maryland.gov](mailto:David.Giusti1@maryland.gov). Applications should be submitted electronically to [MEIP.MEA@maryland.gov](mailto:MEIP.MEA@maryland.gov).